

Sent:

1/ [REDACTED] - HQ/KK

1/ File

1/ Act. ch/8/rd - neg

1/ [REDACTED]

~~SECRET~~

EDAC D-135/3

August 1, 1957

AUG 2 1957
FILE COPY

25X1A

25X1A

MEMORANDUM

To: W. S. DeLany, Chairman, Economic Defense Advisory Committee

From: R. W. Hale, Chairman, Executive Committee

Subject: EDAC Recommendations on JCS Questions

References: A. CFEP Chairman's Assignment to EDAC (Para. 5 of EDAC D-135)
B. Current Economic Defense Policy (NSC 5704/1)
C. Draft Revised Policy (EDAC D-135/1a)

The Executive Committee has studied the points raised for consideration in paragraphs 3.b.(1-4) in the JCS memorandum to the Secretary of Defense dated 13 June 1957. Our conclusions and recommendations on each paragraph follow:

Paragraph 3.b.(1)

"Possible application of Battle Act, Export Control Act and Trading With the Enemy Act restrictions on trade with certain of our Allies in response to their widened trade with Communist China."

Our Defense member has supplied a memorandum (attached as Tab A) designed to frame the intention of the JCS questions posed in 3.b.(1) and (2).

In the current draft revisions for economic defense policy, it is proposed that paragraph 9. be revised and a work program be accomplished to direct those international controls toward the Sino-Soviet bloc as an entity and put the appropriate focus of attention on the inclusion of Communist China within the target area of the COCOM controls. In the consideration of other courses of action, EDAC and the Williams Committee will assure that appropriate anti-frustration policy recommendations are made with respect to both the multi-lateral controls and the U.S. controls.

~~SECRET~~

~~SECRET~~

-2-

Recommendation

It is recommended that EDAC advise the CFEP that the proposed redraft of foreign economic defense policy has taken into consideration the appropriate anti-frustration applications of the cited legislation and that under such policy, EDAC, with respect to multilateral controls, and ACEP, with respect to U.S. unilateral export controls, will provide for appropriate interagency consultation on such matters.

Paragraph 3.b.(2)

"The posture to be adopted by the United States in the face of possible action on the part of our Allies further to weaken the COCOM/CHINCOM controls."

This Committee considers that the revised draft policy, including paragraph 9. discussed above, will result in a program designed to strengthen the international multilateral controls and to resist weakening those controls by positive demonstration of the security requirements for those controls. Reconsideration of the U.S. program would be required if international agreement is not successfully negotiated.

Recommendation

It is recommended that EDAC advise the CFEP that the revised economic defense policy and the planned courses of action are designed to study and produce the best possible action on the part of the U.S. to achieve the needed international security controls.

Paragraph 3.b.(3)

"The advisability of introducing the trade control question into the North Atlantic Council to insure that the strategic and security aspects of this vital Western cold war instrument are accorded proper emphasis vis-a-vis economic and commercial considerations."

~~SECRET~~

The Joint Chiefs of Staff are strongly of the opinion that this step should be taken, and that the United States should thereafter intensify its role of leadership in defending the controls."

Paragraph 3.b.(4)

"In event of referral of the trade control question to NATO, the procedures to be adopted for coordination with Japan."

The timing and nature of U.S. proposals for appropriate introduction of the trade control question into the North Atlantic Council and coordination with Japan have been receiving attention by Working Group III and, in particular, its Defense and State Department members. The report of the Working Group (attached as Tab B) presents the conflict between proponents of action and inaction in these matters.

Recommendation

It is recommended that EDAC consider the alternative recommendations which have been made by WG-III, determine the desirability of deleting paragraph 16. from the policy paper, and decide on the nature of an appropriate recommendation to the CFEP on these matters.

The Executive Committee will draft an EDAC recommendation to the CFEP based on the final recommendations approved by EDAC.

Attachments:

- Tab A - Memo from Defense
- Tab B - WG-III Report

Distribution:

ED List Parts I & II

SECRET